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MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Review of Investigation of the [ ] Contract 25X1

REFERENCE : Memo to D/L from [ ] (OL) and 25X1  
[ ] (OEL) dtd 27 Jun 72. Subj 25X1  
Report of Investigation - [ ] 25X1  
[ ]

1. Please express my appreciation to [ ] 25X1  
[ ] DD/S and DD/S&T respectively, for the excellent 25X1  
report of investigation of the [ ] Contract No. 25X1  
[ ] I am naturally pleased that there was no manifest incompetence  
or malfeasance involved on the part of Agency personnel and that the  
actual material produced under the contract proved highly responsive  
to the Agency's needs and requirements. At the same time, I know you  
will share my appreciation of the fashion in which the report brought out  
some of the weaknesses in the procedural aspects of the execution of  
the contract for our consideration or improvement. The Inspector  
General has reviewed the investigation and in the attached statement  
records his general agreement with its conclusions.

2. With respect to the recommendations of the investigation.

Recommendation No. 1: Strengthen the Role of the Agency Contracting Officer. The various actions suggested seem highly appropriate. I have revised the wording of the statement of policy somewhat but believe it follows the basic line recommended.

Recommendation No. 2: Insure Interface at Appropriate Level between Contractor/Agency Technical Management. This seems highly appropriate, although I believe it needs some refinement in terms of the Office Chief or his Deputy or some

25X1

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senior representative, in order to avoid too great a load on a single Office Chief, and some recognition of the difference between the very small and routine contract and the large and important project.

Recommendation No. 3: Technical Management of Contracts Involving Two or More Directorates. This seems highly appropriate and should not involve a great deal of difficulty. Most of all, I think such a plan should clearly fix final authority for the contract in one place, requiring coordination of aspects involving other directorates. I think this preferable to trying to divide up responsibility for the different elements of the contract among different directorates.

Recommendation No. 4: Standards of Conduct. I agree with the need for a statement of standards of employee conduct. The Air Force suggestion could be a start, although there are several items in the Air Force guidance which would not be appropriate to CIA. I would appreciate your developing, in coordination with the Office of Personnel and the General Counsel, a draft of such a set of guidelines.

3. When the additional steps suggested above have been developed, I would hope to have a submission independent of [ ] case (in order clearly to distinguish our ongoing action from this particular case) of the following materials for discussion at a Deputies Meeting:

25X1

- a. Statement of recommendations (1-4 above);
- b. Statement of policy;
- c. Draft statement of standards of conduct.

4. After review of the above material with the Deputies, I propose to brief the matter to the Director for his comments and decision.

/s/ W. E. Colby

W. E. Colby

Executive Director-Comptroller

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